

DD/S:LKW:ljh
8 Feb 57

Dear Mr. President:

With regard to the new headquarters building for the Central Intelligence Agency, the Congress appropriated \$54,500,000 of which not more than \$8,500,000 is for the extension of the George Washington Memorial Parkway from its present terminus near Spout Run to the site which we have selected on Government-owned property near Langley in Fairfax County, Virginia; the remaining \$46,000,000 is for the building itself.

Our original plans contemplated a building for [REDACTED] personnel which STATINTL would accommodate all of our activities in Washington and allow for about a 5 per cent expansion if this should ever become necessary. We estimated that by being in one building we would effect tangible savings of about \$3,200,000 per annum. Due to several factors, including a rise of almost 10 per cent in construction costs, it is now estimated that it would require approximately \$59,000,000 to construct a relatively austere building in accordance with our original plans. For \$46,000,000 we can only construct a building which will STATINTL accommodate approximately [REDACTED] personnel. Our estimated annual savings would be reduced to something less than \$1,500,000.

Although it is highly desirable to have a building which would be adequate to house all of our Washington activities and personnel, it would be feasible at a later date to add a wing or construct a separate building at the same location to accommodate the remainder of our activities. Therefore, in accordance with your budget policy of proceeding now with only essential construction projects and of avoiding new legislation which would involve an increase of new obligational authority, we are proceeding with our plans to construct a building

for \$46,000,000. Consequently, it will then be necessary for us to provide other space in the Washington area for approximately [REDACTED] personnel unless we^{STATINTL} are able to effect a reduction in our headquarters personnel strength. We will make every effort to do this, although I am not too optimistic.

I have advised the Chairmen of the Senate and House Armed Services and Appropriations Committees of this situation in the course of several recent meetings which I have had with members of the Congress. We earnestly hope, in the interest of both efficiency and economy, that it will be possible at some future date to undertake the additional construction which will permit us to accommodate all of our activities and personnel at one location.

It is my understanding that there are other Agencies which find their appropriations to construct new buildings approved by the Congress to be inadequate. If at any time you feel that you can consider the possibility of requesting additional funds for this purpose, I would appreciate an opportunity to discuss our particular situation with you.

Sincerely,

Allen W. Dulles
Director